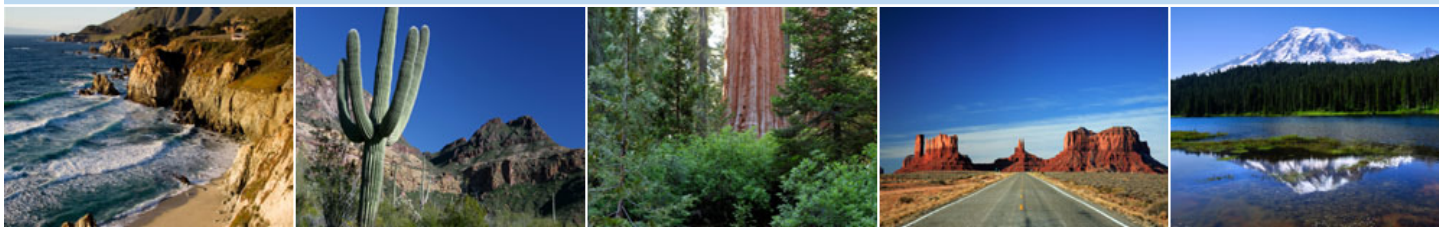


Western Climate Initiative



Clean Energy: Creating Jobs, Protecting the Environment

The WCI has achieved consensus on a regional strategy to reduce greenhouse gas emissions that accommodates the diversity of its 11 Partner jurisdictions and is a model for transitioning to a green economy and reducing our dependence on foreign oil.

From the Arizona deserts to the mountains of British Columbia, from the high-tech campuses of Silicon Valley to the automobile manufacturing plants of Ontario, the seven U.S. states and four Canadian provinces that comprise the Western Climate Initiative reflect diverse geographies, industries, climates, populations, and energy and transportation infrastructures.

They have one important thing in common, however: a commitment to building a green economy and reducing the greenhouse gas (GHG) emissions that are leading to climate change.

Working together, the WCI states and provinces have achieved a unique consensus, forging a comprehensive strategy to mitigate climate change and spur investment in clean-energy technologies that create green jobs and reduce our dependence on foreign oil. When fully implemented, the plan will cover 90 percent of GHG emissions in the region and will reduce those emissions to 15 percent below 2005 levels by 2020.



Western Climate Initiative

The WCI Partner jurisdictions' regional approach is based on extensive economic analyses and stakeholder input over three years of technical work, collaboration, and compromise. It reflects an understanding among the WCI jurisdictions that a comprehensive solution to our economic, energy, and environmental challenges requires a coordinated regional strategy that respects the interests, needs, and circumstances of each jurisdiction.

A Comprehensive Initiative

The WCI jurisdictions' regional plan includes the following elements:

Carbon emissions limits. A market-based cap-and-trade system will provide incentives for companies and inventors to seek out new technologies that increase energy efficiency, promote greater use of renewable or lower-polluting fuels, and foster process improvements that reduce dependence on fossil fuels.

Offset credits. To reduce abatement costs for emitters, a limited number of emissions offset credits will be allowed for projects in industries outside the capped sectors—such as forestry and agriculture.

Complementary policies. To achieve the regional GHG emissions reduction goal and encourage investments in low-carbon technologies, complementary policies that work in concert with cap-and-trade are essential. The WCI jurisdictions will continue to explore—together and individu-

ally—policies that work in concert with cap-and-trade to lower carbon emissions and reduce the cost of transitioning to a green economy. These include:

- **Energy efficiency measures.** Energy efficiency programs, standards, incentives, and process improvements that make factories, buildings, homes, and appliances more energy efficient and reduce fuel consumption.
- **Clean car standards.** Standards for new passenger vehicles that reduce carbon emissions and fuel costs for consumers.
- **Renewable energy.** Solar photovoltaic systems, community-scale wind turbines, geothermal systems, and generating systems that run on waste material to help meet power needs and reduce GHG emissions.
- **Low-carbon fuel standards.** Low-carbon fuel standards that encourage use of alternative transportation fuels, including electricity, bio-fuels, and hydrogen.

The Economic Case for Action

Clean-energy policies are good for the environment as well as for the economy. The WCI's economic modeling suggests that complementary policies will result in cost savings to the regional economy of more than US\$100 billion from 2012 to 2020. In combination with the cap-and-trade program and offset credits, the policies will also foster innovation, investment, and job creation in the green economy.



Western Climate Initiative

Western Climate Initiative

U.S. Partner jurisdictions comprise 19% of the total U.S. population and 20% of the U.S. GDP
 Canadian Partner jurisdictions comprise 79% of the total Canadian population and 76% of the Canadian GDP.

Manitoba

GDP 48,586 Million C\$
 Population..... 1,186,700
 Largest Source of Emission .. Transportation

Ontario

GDP 582,019 Million C\$
 Population..... 12,803,900
 Largest Source of Emission ... Transportation

British Columbia

GDP 190,214 Million C\$
 Population..... 4,380,300
 Largest Source of Emission .. Transportation

Quebec

GDP 298,157 Million C\$
 Population..... 7,700,800
 Largest Source of Emission ... Transportation

Washington

GDP 311,270 Million US\$
 Population..... 6,468,424
 Largest Source of Emission .. Transportation

Oregon

GDP 158,233 Million US\$
 Population..... 3,747,455
 Largest Source of Emission .. Transportation

Montana

GDP 34,253 Million US\$
 Population..... 957,861
 Largest Source of Emission ... Electricity

California

GDP 1,812,968 Million US\$
 Population..... 36,553,215
 Largest Source of Emission .. Transportation

Utah

GDP 105,658 Million US\$
 Population..... 2,645,330
 Largest Source of Emission ... Electricity

Arizona

GDP 247,028 Million US\$
 Population..... 6,338,755
 Largest Source of Emission .. Electricity*

New Mexico

GDP 76,178 Million US\$
 Population..... 1,969,915
 Largest Source of Emission ... Electricity

* includes tribal lands



Partners



Observers

Observers

CANADA: Nova Scotia, Saskatchewan, Yukon; **UNITED STATES:** Alaska, Colorado, Idaho, Kansas, Nevada, Wyoming;
MEXICO: Baja California, Chihuahua, Coahuila, Nuevo Leon, Sonora, Tamaulipas

Source for US data: U.S. Census Bureau and U.S. Bureau of Economic Analysis; Source for Canadian data: Statistics Canada
 U.S. and Canada population figures 2009; U.S. and Canada GDP figures 2008



Western Climate Initiative

The WCI jurisdictions are already realizing economic benefits from the green economy. In the U.S., for example, the seven state jurisdictions comprise 20 percent of the U.S. economy but garnered 60 percent of venture capital investments directed toward clean-technology businesses from 2006 to 2008. In 2007, the proportion of green businesses and green jobs in the economies of the WCI state jurisdictions was 20 percent higher than in the U.S. economy as a whole. And in British Columbia, green businesses contributed C\$15.3 billion to the provincial economy in 2008 and accounted for nearly 166,000 jobs either directly or indirectly. B.C.'s green economy is expected to grow significantly in the next decade, reaching 225,000 jobs in 2020.

Looking Ahead

The WCI jurisdictions are moving forward on several fronts, including:

- Release of the Detailed Design Summary in summer 2010. This document will support implementation of the cap-and-trade program by the jurisdictions.
- Development of protocols associated with the emissions offset program.
- Setting of carbon emission allowance budgets for each jurisdiction.
- Ongoing collaboration and development of complementary policies.

More than half the states and provinces have action plans in place to transition to clean-energy economies. The WCI jurisdictions collaborate regularly with the Midwestern Greenhouse Gas Reduction Accord and the Regional Greenhouse Gas Initiative in the Northeastern U.S. on cap-and-trade program design, complementary policies, and other efforts. They also share information with 15 jurisdictions in Canada, Mexico, and the U.S. that have “official observer” status with the WCI.

In addition, the WCI jurisdictions work closely with our national governments to explore how the WCI jurisdictions’ plan can complement other national and international efforts to transition to a green economy and mitigate the effects of climate change.

More Information: www.westernclimateinitiative.org